



Advisory and Guidance to Licensees Regarding Senate Bill 146, Effective July 16, 2015, Pertaining to Fictitious Business Names & “Team Names”

Solicitations using salesperson owned fictitious business name must include employing broker’s license identification number.

In 2014, the California Legislature passed and the Governor signed Assembly Bill 2018 (“[AB 2018](#)”), amending Section 10159.5 and adding Sections 10159.6 and 10159.7 to the California Business and Professions Code (“the Code”). The provisions of these Code sections *took effect January 1, 2015*. For additional information please see <http://www.dre.ca.gov/files/pdf/AdvisoryAB2018.pdf>

On July 16, 2015, the Governor signed Senate Bill 146 (“[SB 146](#)”), which immediately makes a number of technical changes, as well as adding clarifying language, to provisions set forth in AB 2018.

Most significantly, SB 146 clarifies the definition of “responsible broker’s identity” to mean a name and the associated license identification number under which the responsible broker is currently licensed by the bureau and conducts business in general or is a substantial division of the real estate firm. Furthermore, the bill specifies a responsible broker’s identity does not include a “salesperson owned fictitious business name” obtained pursuant to B&P 10159.5(a)(2) or the use of a team name pursuant to B&P 10159.6.

SB 146 also provides, that when a “team name” is used in advertising and solicitation materials, including print or electronic media and “for sale” signage, it must (1) include, and display in a conspicuous and prominent manner, the “team name” and the name and license number of at least one of the licensed members of the team, (2) the responsible broker’s identity, as specified, and (3) not contain terms that imply the existence of a real estate entity independent of the responsible broker.

Furthermore, SB 146 specifies that advertising and solicitation materials, including print or electronic media and “for sale” signage, containing a “salesperson owned fictitious business name” obtained pursuant to B&P 10159.5(a)(2) include the name and license number of the salesperson who is using the fictitious business name as well as the responsible broker’s identity, as specified.

The provisions set forth in SB 146 do not change, reduce, or limit a real estate broker’s statutory obligation to supervise salespersons operating under his or her license. Furthermore, any disputes that arise between the responsible broker and the salesperson regarding the ownership and/or use of a salesperson owned fictitious business name is a civil matter and would not fall under the purview of the Bureau of Real Estate.

Special Note: In the Spring 2013 Real Estate Bulletin, the bureau confirmed general approval of fictitious business name requests, submitted by brokers, that include the name of salespersons (and which do not

include the broker's name in the fictitious business name), as long as specified conditions were satisfied. With the passage of AB 2018 and SB 146, as identified above, the bureau will no longer be implementing such policy. Therefore, in order for a fictitious business name, regardless if it is salesperson owned or not, to be added to a broker's license record it must, at a minimum, meet the requirements set forth in Commissioner's Regulation 2731.

(September 28, 2015)